



Consolidated Financial Statements

Town of Shediac

December 31, 2013

Contents

	Page
Independent Auditors' Report	1, 2
Consolidated Statement of Financial Position	3
Consolidated Statement of Operations and Accumulated Surplus	4
Consolidated Statement of Changes in Net Debt	5
Consolidated Statement of Cash Flows	6
Notes to the Consolidated Financial Statements	7 - 14
Schedule 1: Consolidated Schedule of Revenues	15
Schedule 2: Consolidated Schedule of Expenditures	16 - 20
Schedule 3: Schedule of Segment Disclosure	21
Schedule 4: Schedule of Reserve Funds	22
Schedule 5: Schedule of Reconciliation of Annual Surplus	23
Schedule 6: Schedule of Operating Budget to PSAB Budget	24



Grant Thornton

Independent auditors' report

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To his Worship the Mayor

And Members of Shediac Town Council

We have audited the consolidated statement of financial position of the Town of Shediac, which comprise the consolidated financial position as at December 31, 2013, and the consolidated statement of operations and accumulated surplus, changes in net debt, and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Town's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Town of Shediac as at December 31, 2013, and the consolidated results of its operations, changes in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Emphasis of matter

The Department of Local Government of New Brunswick has requested some additional disclosures based on the Municipal Financial Reporting Manual dated December 16, 2011. The Town of Shediac has added notes 10, 11 and 12 and schedules 5 and 6 to their consolidated financial statements to comply with these requirements.

Grant Thornton LLP

Moncton, New Brunswick

April 28, 2014

Chartered accountants

Town of Shediac

Consolidated Statement of Financial Position

Year Ended December 31

2013

2012

Financial assets

Cash and cash equivalents	\$ 3,394,401	\$ 3,505,346
Receivables (Note 3)	587,142	461,384
Mortgage receivable (Note 4)	61,532	81,020
Unamortized debenture discounts	55,584	51,744
	<u>4,098,659</u>	<u>4,099,494</u>

Liabilities

Bank loans (Note 5)	1,425,000	2,055,000
Payables and accruals (Note 6)	1,307,751	1,698,092
Long-term debt (Note 7)	6,233,760	6,134,760
	<u>8,966,511</u>	<u>9,887,852</u>

Net debt

	<u>(4,867,852)</u>	<u>(5,788,358)</u>
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Non-financial assets

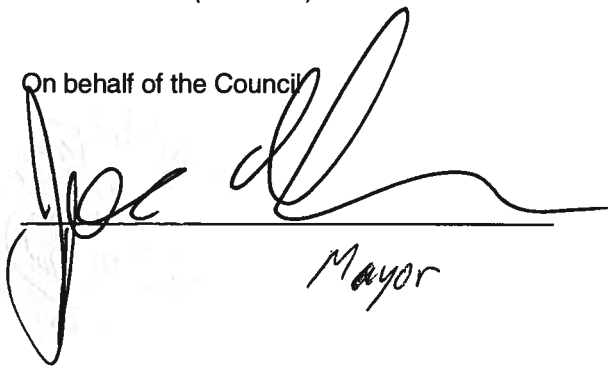
Tangible capital assets (Note 9)	25,424,971	25,434,849
Security deposit	75,000	75,000
Inventory of supplies	19,668	19,668
Prepays	24,978	6,354
	<u>25,544,617</u>	<u>25,535,871</u>

Accumulated surplus

	<u>\$ 20,676,765</u>	<u>\$ 19,747,513</u>
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Commitments (Notes 13)

On behalf of the Council



Mayor



Treasurer

See accompanying notes and schedules to the consolidated financial statements.

Town of Shediac**Consolidated Statement of Operations and Accumulated Surplus**

Year Ended December 31

2013

2012

	PSAB (Budget)	Actual	Actual
Revenue			
Warrant of assessment	\$ 8,131,278	\$ 8,131,278	\$ 7,728,686
Unconditional transfers from Provincial Government	497,931	497,933	607,866
Other contributions and government transfers (Page 15)	427,193	459,291	981,094
Other revenue from own sources (Page 15)	805,976	1,014,621	903,959
Water services	1,300,000	1,356,865	1,342,645
Interest	<u>25,000</u>	<u>79,818</u>	<u>73,505</u>
	<u>11,187,378</u>	<u>11,539,806</u>	<u>11,637,755</u>
Expenditures (Pages 16-20)			
General government services	1,779,525	1,775,528	1,884,538
Protection services	1,718,013	1,688,280	1,751,095
Transportation services	2,892,697	2,844,120	2,530,831
Environmental health and development services	1,556,674	1,533,658	1,494,032
Recreation and cultural services	2,093,322	2,158,420	1,917,454
Water services	682,255	608,093	614,335
Loss on disposal of tangible capital asset	-	2,455	-
	<u>10,722,486</u>	<u>10,610,554</u>	<u>10,192,285</u>
Annual surplus	\$ <u>464,892</u>	<u>929,252</u>	1,445,470
Accumulated surplus, beginning of year		<u>19,747,513</u>	<u>18,302,043</u>
Accumulated surplus, end of year		<u>\$ 20,676,765</u>	<u>\$ 19,747,513</u>

See accompanying notes and schedules to the consolidated financial statements.

Town of Shediac**Consolidated Statement of Changes in Net Debt**

Year Ended December 31

2013**2012**

Annual surplus, before restatement	\$ 929,252	\$ 1,445,470
Acquisition of tangible capital assets	(1,943,605)	(3,925,566)
Proceeds on disposal of tangible capital assets	53,498	-
Amortization of tangible capital assets	1,897,530	1,853,940
Loss on sale of tangible capital assets	2,455	-
	<u>9,878</u>	<u>(2,071,626)</u>
Change in prepaid expenses	(18,624)	377
Change in inventory	-	(1,268)
	<u>(18,624)</u>	<u>(891)</u>
Decrease (increase) in net debt	920,506	(627,047)
Net debt, beginning of year	<u>(5,788,358)</u>	<u>(5,161,311)</u>
Net debt, end of year	\$ (4,867,852)	\$ (5,788,358)

See accompanying notes and schedules to the consolidated financial statements.

Town of Shediac

Consolidated Statement of Cash Flows

Year Ended December 31

2013

2012

Net cash inflow (outflow) related to the following activities:

Operating activities

Annual surplus	\$ 929,252	\$ 1,445,470
Items not affecting cash:		
Amortization of tangible capital assets	1,897,530	1,853,940
Loss on sale of tangible capital assets	2,455	-
Changes in non-cash working capital:		
Change in receivables	(125,758)	236,237
Change in payables and accruals	(390,341)	380,697
Change in mortgage receivable	19,488	18,310
Change in supplies inventory	-	(1,268)
Change in prepaid expenses	(18,624)	377
Change in debenture discounts	(3,840)	(6,301)
Net cash provided by operating activities	<u>2,310,162</u>	<u>3,927,462</u>

Capital activities

Acquisition of tangible capital assets	(1,943,605)	(3,925,566)
Proceeds on sale of tangible capital assets	53,498	-
Net cash used for capital activities	<u>(1,890,107)</u>	<u>(3,925,566)</u>

Financing activities

Issuance of long-term debt	1,140,000	2,306,000
(Repayment) advance of bank loans	(630,000)	784,000
Repayment of long-term debt	(1,041,000)	(1,031,000)
Net cash (used for) coming from financing activities	<u>(531,000)</u>	<u>2,059,000</u>

(Decrease) increase in cash and cash equivalents	(110,945)	2,060,896
Cash and cash equivalents at beginning of year	<u>3,505,346</u>	<u>1,444,450</u>
Cash and cash equivalents at end of year	<u>\$ 3,394,401</u>	<u>\$ 3,505,346</u>

See accompanying notes and schedules to the consolidated financial statements.

Town of Shediac

Notes to the Consolidated Financial Statements

December 31, 2013

1. The Corporation of the Town of Shediac (the "Town") is incorporated and operates under the provisions of the Province of New Brunswick Municipalities Act.
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2. Summary of significant accounting policies

The consolidated financial statements of the Town are the representations of management prepared in accordance with local government accounting standards established by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants. The consolidated financial statements include the additional disclosure requirements by the Department of Environment and Local Government of New Brunswick. The Town has added notes 10, 11 and 12 and schedules 5 and 6 to comply with these requirements. Significant aspects of the accounting policies adopted by the Town are as follows:

a) **Reporting entity**

These consolidated financial statements reflect the assets, liabilities, revenues, expenditures, changes in fund balances and change in financial position of the reporting entity. The Town is comprised of all organizations accountable for the administration of their financial affairs and resources to the Town, and which are owned or controlled by the Town.

Inter-departmental and organizational transactions and balances are eliminated.

b) **Government transfers**

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made. Transfers received for which expenses are not yet incurred are included in deferred revenue.

c) **Non-financial assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated change in net financial assets for the year.

d) **Revenue Recognition**

Unrestricted revenue is recorded on an accrual basis and is recognized when collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Other revenue is recorded when it is earned, and collection is reasonably assured.

Town of Shediac

Notes to the Consolidated Financial Statements

December 31, 2013

2. Summary of significant accounting policies (continued)

e) i) **Tangible capital assets**

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight line basis over the estimated useful lives as follows:

Asset type	Years
Buildings and leasehold improvements	20-40 years
Vehicles and equipment	5-20 years
Computer hardware & software	5-10 years
Land improvements	5-20 years
Roads, streets, sidewalks & culvert	10-60 years
Water buildings and leasehold improvements	30 years
Water systems	10-30 years

ii) **Assets under construction**

Assets under construction are not amortized until the asset is available for productive use.

iii) **Contribution of tangible capital assets**

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

iv) **Inventories of materials and supplies**

Inventories of materials and supplies consist mainly of parts and road maintenance materials and are valued at the lower of cost and net realizable value.

f) **Cash and cash equivalents**

Cash and cash equivalents are comprised of cash on hand, demand deposits and short-term investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

g) **Employee future benefits**

The Town allows a portion of unused sick benefits which have vested to be paid to employees upon retirement or resignation. The costs of these benefits are actuarially determined based on service and best estimate of retirement ages and expected future salary increases. The obligation under these benefit plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits. The Town also provides continuation of unused sick banks which do not vest to be used during the employees' period of employment. The Town has concluded this is a non-significant balance and therefore have not recorded it.

Town of Shediac

Notes to the Consolidated Financial Statements

December 31, 2013

2. Summary of significant accounting policies (continued)

h) Budget

The budget figures contained in these consolidated financial statements were approved by Council on December 11, 2012 and on February 25, 2013 they approved the Capital Budget. The Minister of Environment and Local Government approved the General Operating Budget and Utility Operating Budget on January 22, 2013.

i) Reserves and funds

Certain amounts, as approved by Town Council, are set aside in reserves and reserves funds for future operating and capital purposes. Transfers to and/from reserves and reserve funds are recorded as an adjustment within accumulated surplus. Schedule 4 "Schedule of Reserve Funds" to the consolidated financial statements is included to show the reserve fund balances as supplementary information.

i. Operating funds

Operating Funds are established for general, and water operations of the Town. Operating Funds are used to record the costs associated with providing Town services.

ii. Capital funds

Capital Funds are established for general and water capital. Capital Funds track the acquisition cost of various capital assets and the financing of those assets, including related debt.

iii. Reserve funds

Under the *Municipalities Act* of New Brunswick, Council may establish discretionary reserves for each fund listed above.

j) Segmented information

The Town is a diversified municipal unit that provides a wide range of services to its residents. For management reporting purposes, the Town's operations and activities are organized and reported by function. This presentation was created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Municipal services are provided by departments as follows:

General government services

This department is responsible for the overall governance and financial administration of the Town. This includes council functions, general and financial management, legal matters and compliance with legislation as well as civic relations.

Protective services

This department is responsible for the provision of policing services, fire protection, emergency measures, animal control and other protective measures.

Transportation services

This department is responsible for common services, roads and streets maintenance, street lighting, traffic services, parking and other transportation related functions.

Town of Shediac

Notes to the Consolidated Financial Statements

December 31, 2013

2. Summary of significant accounting policies (continued)

j) Segmented information (continued)

Environmental health services and development services

This department is responsible for the provision of waste collection and disposal for planning and zoning, community development, tourism and other municipal development and promotion services.

Recreation and cultural services

This department is responsible for the maintenance and operation of recreational and cultural facilities, including the swimming pool, arena, parks and playgrounds and other recreational and cultural facilities.

Water systems

This department is responsible for the provision of water services including the maintenance and operation of the underground networks, treatment plants, reservoirs and lagoons.

k) Use of estimates

The preparation of consolidated financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenditures during the reporting period. As such, actual results could differ from the estimates. Areas requiring the greatest degree of estimation include provision for future employee benefits, valuation of donated capital assets, assessment of contingency liabilities, and allowance for doubtful accounts receivable.

3. Receivables	<u>2013</u>	<u>2012</u>
Accounts receivable	\$ 281,221	\$ 144,613
Water receivable	249,147	245,747
Sales tax receivable	<u>56,774</u>	<u>71,024</u>
	<u>\$ 587,142</u>	<u>\$ 461,384</u>

4. Mortgage receivable	<u>2013</u>	<u>2012</u>
Mortgage receivable, recoverable in monthly instalments of \$2,000 including principal and interest at the rate of 6.25%, maturity in October 2016. Secured by the old Town Library building at 337A Main Street in Shediac, NB.	<u>\$ 61,532</u>	<u>\$ 81,020</u>

Town of Shediac

Notes to the Consolidated Financial Statements

December 31, 2013

5. Bank loans

The bank loans represent temporary financing of capital expenditures for the General Capital Fund, for the Water Operating Fund and for the Water Capital Fund and will be replaced by debenture issues as well as a working capital component. The bank loans for operating purposes are within the limit prescribed by Municipalities Act. The interest rate on these loans is at prime rate.

6. Payables and accruals

	<u>2013</u>	<u>2012</u>
Accounts payable and accrued charges	\$ 956,894	\$ 1,382,266
Employee benefit obligations	347,100	311,500
Accrued interest on long-term debt	<u>3,757</u>	<u>4,326</u>
	<u>\$ 1,307,751</u>	<u>\$ 1,698,092</u>

7. Long-term debt

	<u>2013</u>	<u>2012</u>
<u>New Brunswick Municipal Financing Corporation</u>		
Debentures:		
AP27 2.75% - 5.125%, due 2013	\$ -	\$ 115,000
AR29 2.75% - 4.8%, due 2014	82,000	160,000
AU13 4.15% - 4.7%, due 2016	110,000	143,000
AX27 4.45% - 4.85%, due 2017	775,000	948,000
BA21 .95% - 5%, due 2019	433,000	531,000
BC16 1.5% - 4.55%, due 2020	387,000	435,000
BG22 1.65% - 3.8%, due 2027	1,687,000	1,801,000
BH28 1.35% - 3.1%, due 2022	259,000	285,000
BI23 1.35% - 3.25%, due 2023	900,000	-
BI24 1.35% - 3.25%, due 2023	240,000	-
AU14 4.15% - 4.7%, due 2016	256,000	334,000
AX26 4.45% - 4.85%, due 2017	264,000	323,000
BA22 .95% - 3.4%, due 2014	56,000	111,000
BC17 1.5% - 2.5%, due 2015	97,000	109,000
BD28 1.5% - 2.5%, due 2015	129,000	192,000
BF28 1.35% - 2.2%, due 2016	214,000	283,000
BH29 1.35% - 3.1%, due 2022	<u>200,000</u>	<u>220,000</u>
	<u>6,089,000</u>	<u>5,990,000</u>
<u>608402 NB Ltd.</u>		
Loan payable, 0% due 2016	<u>144,760</u>	<u>144,760</u>
	<u>\$ 6,233,760</u>	<u>\$ 6,134,760</u>

Town of Shediac

Consolidated Statement Notes to the Financial Statements

December 31, 2013

7. Long-term debt (continued)

Principal payments required during the next five years are as follows:

2014	\$ 1,060,000	2017	\$ 696,000
2015	908,000	2018	431,000
2016	871,000		

Approval of the Municipal Capital Borrowing Board has been obtained for the debenture debt reported and all the long-term debt has been approved by an Order-in-Council of the Provincial Legislature. At December 31, 2013, the Town has an authority to borrow an additional \$ 3,116,000.

8. Other post employment liabilities

The Town provides various groups of employees in accordance with applicable collective agreements the ability to accumulate sick bank benefits payable either upon retirement or resignation.

	<u>2013</u>	<u>2012</u>
Employee benefit obligations:		
Vested benefits	\$ 347,500	\$ 329,100
Unamortized actuary losses	<u>(400)</u>	<u>(17,600)</u>
Accrued employee benefit obligation	<u>\$ 347,100</u>	<u>\$ 311,500</u>
Accrued employee benefit obligation	\$ 347,100	\$ 311,500
Less funded amount	<u>(296,526)</u>	<u>(260,888)</u>
Vested benefits to be funded from future revenue	<u>\$ 50,574</u>	<u>\$ 50,612</u>
Benefit expense in the year	<u>\$ 36,200</u>	<u>\$ 35,800</u>

Vested benefits represent the Town's liability for future employee benefits including sick leave banks and lump sum retirement payments in the year of retirement or resignation which are contractually required to be paid to an employee independent of his or her further employment.

The actuarial method used was the projected benefit method prorated on service to calculate the accrued benefit obligation. The valuation was based on a number of assumptions about future events, such as interest rates, wage and salary increases and employee turnover and retirement. The assumptions used reflect the Town's best estimates.

The following summarizes the major assumptions in the valuation:

- Annual salary increase is 3%;
- the discount rate used to determine the accrued benefit obligation is 4.10%;
- retirement age is 60; and
- estimated net excess utilization of rate of sick leave varies with age.

The sick leave is an unfunded benefit. Benefits are paid out of general revenue as they come due.

Town of Shediac

Notes to the Consolidated Financial Statements

December 31, 2013

9. Tangible capital assets

Cost	General Capital Assets						Water Assets				
	Land	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer, Hardware and Software	Land Improvements	Road, Streets, Sidewalks, Culverts	Land	Water Buildings and Leasehold Improvements	Water Systems	2012	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Opening cost	1,827,459	6,719,363	3,268,381	186,631	1,556,368	21,404,882	76,681	1,069,512	6,245,625	42,354,902	38,429,336
Additions	-	164,469	284,352	-	171,866	1,162,563	-	-	160,355	1,943,605	3,925,566
Disposals	-	-	384,677	-	-	-	-	-	-	384,677	-
Closing cost	1,827,459	6,883,832	3,168,056	186,631	1,728,234	22,567,445	76,681	1,069,512	6,405,980	43,913,830	42,354,902
Accumulated amortization											
Opening accumulated Amortization	-	1,342,259	1,795,730	168,391	386,456	10,117,434	-	571,954	2,537,829	16,920,053	15,066,113
Amortization	-	269,062	211,318	5,298	112,314	1,017,864	-	28,905	252,769	1,897,530	1,853,940
Disposals	-	-	328,724	-	-	-	-	-	-	328,724	-
Closing accumulated amortization	-	1,611,321	1,678,324	173,689	498,770	11,135,298	-	600,859	2,790,598	18,488,859	16,920,053
Asset net book value	\$ 1,827,459	\$ 5,272,511	\$ 1,489,732	\$ 12,942	\$ 1,229,464	\$ 11,432,147	\$ 76,681	\$ 468,653	\$ 3,615,382	\$ 25,424,971	\$ 25,434,849

Town of Shediac

Consolidated Statement Notes to the Financial Statements

December 31, 2013

10. Short-term borrowings compliance

Operating borrowing

As prescribed in the *Municipalities Act*, borrowing to finance General Fund operations is limited to 4% of the Municipality's operating budget. Borrowing to finance water services is limited to 50% of the operating budget for the year. In 2013, the Town has complied with these restrictions.

Inter-fund borrowing

The Municipal Financial Reporting Manual requires that short-term inter-fund borrowings be repaid in next the year unless the borrowing is for a capital project. The amounts payable between Funds are in compliance with the requirements.

11. Water Services surplus/deficit

The *Municipalities Act* requires Water Services Fund surplus/deficit amounts to be absorbed into one or more of four Operating Budgets commencing with the second next ensuring year: the balance of the surplus/deficit at the end of the year consists of:

	<u>2013</u>	<u>2012</u>
2013 Surplus	\$ 132,809	\$ -
2012 Surplus	16,000	16,000
2011 Surplus	<u>-</u>	<u>20,641</u>
	<u>\$ 148,809</u>	<u>\$ 36,641</u>

12. Water cost transfer

The Town's water cost transfer for fire protection is within the maximum allowable by Regulation 81-195 under the *Municipalities Act* based upon the applicable percentage of water system expenditures for the population.

13. Commitments and contingency

The Town has lease commitments until 2021 for the rental of equipment, vehicles, office space and other premises. The balance of the commitments under such leases excluding property taxes and other escalator clauses is \$1,714,840. Minimum payments payable over the next five years are as follows:

2014	\$ 235,870	2017	\$ 235,870
2015	235,870	2018	231,408
2016	235,870		

14. Pension Plan

The Town has a contributory pension plan for its employees and its share of the pension plan contributions for 2013 were \$88,281 (2012 - \$67,545).

15. Comparative figures

Comparative figures have been adjusted to conform to changes in the current year presentation.

Town of Shediac

Schedule 1: Consolidated Schedule of Revenues

Year ended December 31	2013	2013	2012
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Other contributions and government transfers			
Provincial government	\$ -	\$ 32,098	\$ 46,543
Donated assets – developers	-	-	507,358
Gas tax program	427,193	427,193	427,193
	<u>\$ 427,193</u>	<u>\$ 459,291</u>	<u>\$ 981,094</u>
Other revenue from own sources			
Firefighting services	\$ 297,873	\$ 297,873	\$ 276,967
Recreation	33,000	102,538	63,664
Arena	176,600	219,258	186,074
Multipurpose centre	77,000	95,058	86,208
Licenses and permits	1,000	1,224	1,095
Building permits	50,000	108,871	61,307
Fines	28,900	29,907	28,160
Road maintenance	53,326	53,297	53,297
Rent	45,000	41,656	63,092
Allocation for green space	-	7,680	14,749
Sundry	43,277	57,259	69,346
	<u>\$ 805,976</u>	<u>\$ 1,014,621</u>	<u>\$ 903,959</u>

Town of Shediac

Schedule 2: Consolidated Schedule of Expenditures

Year Ended December 31	2013	2013	2012
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
General government services			
Legislative			
Mayor	\$ 17,800	\$ 17,672	\$ 17,398
Mayor – other	12,100	9,771	14,329
Councilors	68,600	68,412	67,222
Councilors – other	24,700	19,355	19,564
Development seminars	30,000	28,567	34,744
Other	10,000	16,545	20,285
	<u>163,200</u>	<u>160,322</u>	<u>173,542</u>
Administrative			
Salaries and fringe benefits	442,352	460,879	468,100
Traveling expenses – Town manager	10,000	10,656	-
Building – rent and maintenance	318,000	312,589	327,955
Equipment rental	7,000	5,718	10,239
Telecommunications	29,000	28,536	24,907
External audit and other professional fees	40,000	58,878	38,160
Legal and collection fees	40,000	70,255	51,288
Computer systems	45,000	32,938	37,598
Advertising and promotion	10,000	10,199	14,302
Association fees	10,000	10,078	9,613
Office and postage expenses	40,000	41,787	45,572
Cost of assessment	106,701	106,704	101,418
Simultaneous translation	25,000	22,132	50,401
	<u>1,123,053</u>	<u>1,171,349</u>	<u>1,179,553</u>
Other general government services			
Public liability insurance	53,000	47,304	44,212
Provision of settlement accrual	-	-	100,000
Grant	208,900	179,731	219,207
By-law	80,000	69,489	45,377
Human resources	117,700	105,299	89,060
Property taxes	10,000	9,654	9,595
Post-retirement liabilities	-	(38)	(1,794)
Interest on long-term debt	974	974	1,623
Bond discounts	6,400	6,335	5,969
Bank charges	11,000	11,402	7,427
Bad debts (recovery)	-	8,409	5,469
	<u>487,974</u>	<u>438,559</u>	<u>526,145</u>
Amortization	<u>5,298</u>	<u>5,298</u>	<u>5,298</u>
	<u>\$ 1,779,525</u>	<u>\$ 1,775,528</u>	<u>\$ 1,884,538</u>

Town of Shediac
Schedule 2: Consolidated Schedule of Expenditures
(continued)

Year Ended December 31	2013	2013	2012
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Protection services			
Police			
Contract	\$ 1,110,920	\$ 1,110,920	\$ 1,140,000
Sundry	7,400	7,280	20,617
	<u>1,118,320</u>	<u>1,118,200</u>	<u>1,160,617</u>
Fire			
Vehicles	34,500	28,777	28,241
Firefighting association	32,700	32,700	32,700
Fees	99,000	100,085	97,639
Firefighting equipment	44,500	33,253	51,195
Vaccine	1,000	470	455
Garment	23,900	15,912	20,539
Travel	7,100	6,662	5,035
Fire prevention	3,000	2,306	2,491
Salaries and fringe benefits	121,400	120,350	121,155
Fire alarm system	20,600	22,129	30,302
Workers compensation and group insurance	36,000	32,354	35,382
Training	5,200	5,429	4,968
Sundry	7,500	6,082	6,665
Building – repair and maintenance	50,600	48,754	43,025
	<u>487,000</u>	<u>455,263</u>	<u>479,792</u>
Other protection services			
Animal and pest control	26,000	28,124	29,136
Interest on long-term debt	13,158	13,158	8,015
Amortization	73,535	73,535	73,535
	<u>\$ 1,718,013</u>	<u>\$ 1,688,280</u>	<u>\$ 1,751,095</u>

Town of Shediac
Schedule 2: Consolidated Schedule of Expenditures
(continued)

Year Ended December 31	2013	2013	2012
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Transportation services			
Common services			
Salaries and fringe benefits	\$ 672,900	\$ 592,210	\$ 474,448
Overtime	130,000	124,808	116,907
General supplies			
Gas and oil	80,000	80,663	75,245
Repair and maintenance	120,000	111,174	97,712
Insurance and licenses	22,000	22,059	21,171
Shop, yard and building			
Repair and maintenance	16,200	11,471	12,844
Heat and light	21,000	27,964	17,279
Municipal taxes, sewer and insurance	6,900	6,585	6,772
Supplies	10,400	13,043	15,774
Communication services	8,800	8,588	6,368
Engineering services	60,000	61,063	30,543
	<u>1,148,200</u>	<u>1,059,628</u>	<u>875,063</u>
Road transportation			
Roads and streets	240,000	323,075	227,583
Snow and ice removal	89,200	81,971	53,688
Street lighting	152,400	148,484	151,181
Traffic services	36,000	24,139	23,645
	<u>517,600</u>	<u>577,669</u>	<u>456,097</u>
Interest			
Interest on short-term borrowing	23,000	2,926	16,887
Interest on long-term debt	99,839	99,839	110,375
	<u>122,839</u>	<u>102,765</u>	<u>127,262</u>
Amortization	<u>1,104,058</u>	<u>1,104,058</u>	<u>1,072,409</u>
	<u>\$ 2,892,697</u>	<u>\$ 2,844,120</u>	<u>\$ 2,530,831</u>
Environmental health and development services			
Environmental health services			
Garbage and waste collection	\$ 184,100	\$ 204,228	\$ 207,673
Solid waste disposal WASWC	122,760	122,760	123,150
	<u>306,860</u>	<u>326,988</u>	<u>330,823</u>
Environmental development services			
Town planning	182,318	181,787	221,381
Economic development	352,900	255,728	313,700
Salaries and fringe benefits	263,500	283,682	253,845
Tourism and municipal development	295,100	313,053	272,522
Pascal Poirier Historical House	47,200	32,945	67,679
Former train station	107,900	138,579	13,918
	<u>1,248,918</u>	<u>1,205,774</u>	<u>1,143,045</u>
Interest on long-term debt	<u>896</u>	<u>896</u>	<u>1,087</u>
Amortization	<u>-</u>	<u>-</u>	<u>19,077</u>
	<u>\$ 1,556,674</u>	<u>\$ 1,533,658</u>	<u>\$ 1,494,032</u>

Town of Shediac

Schedule 2: Consolidated Schedule of Expenditures

(continued)

Year Ended December 31	2013	2013	2012
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Recreation and cultural services			
Arena			
Salaries and fringe benefits	\$ 103,200	\$ 117,233	\$ 104,406
Overtime	23,700	22,325	23,452
Part time	29,100	38,551	28,879
Buildings			
Property taxes and insurance	10,600	10,020	10,343
Electricity	95,000	115,925	95,428
General maintenance	67,400	115,861	82,595
Telecommunication	2,600	2,551	2,959
Office supplies	3,000	1,749	509
	<u>334,600</u>	<u>424,215</u>	<u>348,571</u>
Parks and playgrounds			
Salaries and fringe benefits	128,900	122,425	107,439
Consultants	30,000	35,010	34,690
Equipment maintenance	80,200	56,955	57,281
Parks and playground maintenance	72,010	80,804	93,463
Building – repair and maintenance	5,000	1,723	878
Telecommunications	4,800	3,327	6,132
	<u>320,910</u>	<u>300,244</u>	<u>299,883</u>
Community services			
Salaries and fringe benefits	248,750	240,699	241,595
Multipurpose Centre	328,100	339,152	285,487
Conventions	1,500	1,648	815
Web site	31,000	11,796	8,080
Advertising and promotion	61,200	65,690	53,037
Activities	55,600	67,179	53,450
Special events	144,300	155,862	140,417
	<u>870,450</u>	<u>882,026</u>	<u>782,881</u>
Library			
General maintenance	2,700	2,886	2,855
Supplies	18,650	18,257	14,914
Telecommunications	2,000	1,601	1,710
	<u>23,350</u>	<u>22,744</u>	<u>19,479</u>
Interest			
Interest on short-term borrowing	67,000	42,337	18,191
Interest on long-term debt	44,048	53,890	38,590
	<u>111,048</u>	<u>96,227</u>	<u>56,781</u>
Amortization	<u>432,964</u>	<u>432,964</u>	<u>409,859</u>
	<u>\$ 2,093,322</u>	<u>\$ 2,158,420</u>	<u>\$ 1,917,454</u>

Town of Shediac
Schedule 2: Consolidated Schedule of Expenditures
(continued)

Year Ended December 31	2013	2013	2012
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Water services			
Electricity	\$ 90,000	\$ 84,499	\$ 84,637
Amortization and disposal	281,675	281,675	273,762
Repairs and maintenance	88,000	67,145	60,435
Interest on long-term debt	50,180	52,434	55,192
Bond discounts	3,300	1,613	10,061
Interim financing	25,000	4,746	5,447
Engineering services	70,000	52,799	9,267
Sundry	23,000	20,176	19,080
Water testing	15,000	13,872	12,329
Insurance	16,100	13,818	14,318
Bad debts	20,000	15,316	69,807
	<u>\$ 682,255</u>	<u>\$ 608,093</u>	<u>\$ 614,335</u>

Town of Shediac Schedule 3: Schedule of Segment Disclosure

December 31, 2013

	General Government	Protection	Transportation	Environmental Health & Development	Recreation and cultural	Water Services	2013 Consolidated	2012 Consolidated
Revenues								
Property tax warrant	\$ 3,229,817	\$ 1,422,442	\$ 905,146	\$ 941,617	\$ 1,632,256	\$ -	\$ 8,131,278	\$ 7,728,686
Other revenue from own sources	64,939	329,004	53,297	108,871	458,510	-	1,014,621	903,959
Unconditional transfers from Provincial Government	197,785	87,105	55,428	57,661	99,954	-	497,933	607,866
Other contributions and government transfers	-	-	-	16,000	443,291	-	459,291	981,094
Water user fees	-	-	-	-	1,356,865	-	1,356,865	1,342,645
Interest	15,794	-	-	-	64,024	-	79,818	73,505
	<u>3,508,335</u>	<u>1,838,551</u>	<u>1,013,871</u>	<u>1,124,149</u>	<u>2,634,011</u>	<u>1,420,889</u>	<u>11,539,806</u>	<u>11,637,755</u>
Expenses								
Salaries and benefits	546,963	252,789	717,018	515,985	541,233	-	2,573,988	2,450,076
Goods and services	1,223,305	1,348,798	920,279	1,016,777	1,087,996	269,238	5,866,393	5,627,229
Amortization	5,298	73,535	1,104,058	-	432,964	281,675	1,897,530	1,853,940
Loss on disposal	-	-	2,455	-	-	-	2,455	-
Interest	-	13,158	102,765	896	96,227	57,180	270,226	262,834
Post-retirement liabilities*	(38)	-	-	-	-	-	(38)	(1,794)
	<u>1,775,528</u>	<u>1,688,280</u>	<u>2,846,575</u>	<u>1,533,658</u>	<u>2,158,420</u>	<u>608,093</u>	<u>10,610,554</u>	<u>10,192,285</u>
Surplus (deficit) for the year	\$ 1,732,807	\$ 150,271	\$ (1,832,704)	\$ (409,509)	\$ 475,591	\$ 812,796	\$ 929,252	\$ 1,445,470

*The post-retirement liabilities have been reported under General Government for segment disclosure.

Town of Shediac

Schedule 4: Schedule of Reserve Funds

December 31, 2013

	General Operating Reserve	General Capital Reserve	Water Operating Reserve	Water Capital Reserve	2013 Total	2012 Total
Accumulated surplus, beginning of year	\$ 435,303	\$ 947,771	\$ 72,568	\$ 250,753	\$ 1,706,395	\$ 1,529,408
Transfers to/from Water and General Operating Funds						
Allocation from General Operating Fund	50,000	50,000	-	-	100,000	-
Allocation from Water Operating Fund	-	-	3,000	70,000	73,000	150,000
	<u>50,000</u>	<u>50,000</u>	<u>3,000</u>	<u>70,000</u>	<u>173,000</u>	<u>150,000</u>
Interest						
Allocation for green spaces	4,856	10,938	730	2,449	18,973	12,238
	-	7,680	-	-	7,680	14,749
	<u>4,856</u>	<u>18,618</u>	<u>730</u>	<u>2,449</u>	<u>26,653</u>	<u>26,987</u>
Annual surplus	54,856	68,618	3,730	72,449	199,653	176,987
Accumulated surplus, end of year	\$ 490,159	\$1,016,389	\$ 76,298	\$ 323,202	\$ 1,906,048	\$ 1,706,395

Town of Shediac

Schedule 5: Schedule of Reconciliation of Annual Surplus

December 31, 2013

	General Operating Fund	General Capital Fund	General Operating Reserve Fund	General Capital Reserve Fund	Water Operating Fund	Water Capital Fund	Water Operating Reserve Fund	Water Capital Reserve Fund	Total All Fund
2013 annual fund surplus ¹	\$ 176,016	\$ 1,927,103	\$ 54,856	\$ 68,618	\$ 132,809	\$ 455,124	\$ 3,730	\$ 72,449	\$ 2,890,705
Adjustment to annual surplus for funding requirements									
Second previous year's surplus	(17,365)				(20,641)				(38,006)
Long-term debt principal repayment	685,000	(685,000)							
Long-term debt principal repayment					356,000	(356,000)			
Loss on disposal of capital assets		(2,455)							(2,455)
Provision for sick leave	38								38
Amortization of tangible assets		(1,615,857)				(281,673)			(1,897,530)
Capital expenditures paid out of operating funds	814,910	(814,910)			99,124	(99,124)			
Proceeds on sale of capital assets	(23,500)								(23,500)
Total adjustments to 2013 annual surplus	1,459,083	(3,118,222)	-	-	434,483	(736,797)	-	-	(1,961,453)
2013 annual surplus (deficit) per PSAB for the year	\$ 1,635,099	\$(1,191,119)	\$ 54,856	\$ 68,618	\$ 567,292	\$(281,673)	\$ 3,730	\$ 72,449	\$ 929,252

¹ The annual fund surplus includes all of the interfund transfers.

Town of Shediac

Schedule 6: Schedule of Operating Budget to PSAB budget

December 31, 2013

	Operating Budget General	Operating Budget Water	Capital Budget	Reallocation of interest	Amortization adjustments	Transfers	Total
Revenue							
Province of New Brunswick:							
Warrant for property taxes	\$ 8,131,278	\$ -	\$ -	\$ -	\$ -	\$ -	8,131,278
Unconditional grant	497,931	-	-	-	-	-	497,931
Other government contributions and transfers	-	-	427,193	-	-	-	427,193
Other revenue from own sources	805,976	-	-	-	-	-	805,976
Water rates	-	1,300,000	-	-	-	-	1,300,000
Recovery from water operating fund	656,000	-	-	-	(656,000)	-	-
Water supply for fire protection	-	205,000	-	-	-	(205,000)	-
Interest	-	25,000	-	-	-	-	25,000
Second previous year's surplus	17,365	20,641	-	-	-	(38,006)	-
	<u>10,108,550</u>	<u>1,550,641</u>	<u>427,193</u>	<u>-</u>	<u>-</u>	<u>(899,006)</u>	<u>11,187,378</u>
Expenditure							
General government services	1,755,863	-	-	18,374	5,298	-	1,779,525
Protective services	1,836,320	-	-	13,158	73,535	(205,000)	1,718,013
Transportation services	1,665,800	-	-	122,839	1,104,058	-	2,892,697
Environmental health & development services	1,555,778	-	-	896	-	-	1,556,674
Recreation and cultural services	1,549,310	-	-	111,048	432,964	-	2,093,322
Water services	-	322,100	-	78,480	281,675	-	682,255
Fiscal services							
Long-term debt repayments	685,000	356,000	-	-	-	(1,041,000)	-
Interest	266,315	78,480	-	(344,795)	-	-	-
Transfers from the General Operating Fund	794,174	-	-	-	-	(794,174)	-
Transfer to the General Operating Fund	-	656,000	-	-	-	(656,000)	-
Transfers from the Operating Water Fund	-	138,061	-	-	-	(138,061)	-
Transfer from the Water and Sewer Operating Fund to the Water & Sewer Capital Fund	-	-	-	-	-	-	-
	<u>10,108,550</u>	<u>1,550,641</u>	<u>-</u>	<u>-</u>	<u>1,897,530</u>	<u>(2,834,235)</u>	<u>10,722,486</u>
Surplus (deficit) for the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 427,193</u>	<u>\$ -</u>	<u>\$ (1,897,530)</u>	<u>\$ 1,935,229</u>	<u>\$ 464,892</u>